

qualify for their assistance. I would like to point out also that in the State of South Dakota that state has purchased an entire railroad so they recognize the importance of this kind of activity to the State of South Dakota. I think we have given the other fund adequate time to perform. It is obvious to me that they will not perform, and since they have not performed, I think that we should try another mechanism. I would point out also that at this time, at this time, there are no further plans for federal monies to be granted to the existing council. Therefore, if you are going to have a Branch Line Revitalization Fund of any kind, it is going to call for something like we have in this bill and this is how it can work. The counties may appropriate to the fund not to exceed the amount of money collected in taxes. The railroads may contribute to the fund. A shipper, for example, the Bellwood Cooperative Elevator could contribute to that fund. All can contribute to the fund. After the railroad has been revitalized and rebuilt, the increased revenues from that fund shall be used to repay the fund. Now if the Department of Economic Development determines that there should be some other mechanism whereby they would sustain that fund, then the bill requires the railroad to place the increased revenue from the revitalization into a separate account and to use that money to upgrade other branch lines. Again I want to say I recognize it is a very important bill and one which perhaps deserves a lot of discussion and debate. I am not adverse to that at all. I do not want anyone to try to say later on that we advanced this bill without proper debate but I think that we should at this time consider seriously whether or not we want to have a branch line revitalization fund that is operational in this state, and if so, I would hope you would advance the bill. I would suggest that the Department of Roads have been very effective and helpful in some areas in working with the railroads in trying to keep some of these branch lines active and in operation because the Department of Roads has a very deep interest. They know that if the branch lines are allowed to go out of existence the highway system will have to pick up the load. Therefore, they have been cooperating with the railroads. I would be very anxious and willing to accept amendments on Select File that would allow for the Department of Roads to cooperate with DED in the supervision of the operation of this fund. If there are any questions, I would be very happy to try to answer them.

SPEAKER NICHOL: Senator Newell.

SENATOR NEWELL: Senator Schmit, I would like to ask a couple of questions.